

SURREBUTTAL TESTIMONY OF
SARAH W. JOHNSON
ON BEHALF OF
THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF
DOCKET NO. 2018-318-E
IN RE: APPLICATION OF DUKE ENERGY PROGRESS, LLC
FOR ADJUSTMENTS IN ELECTRIC RATE SCHEDULES AND TARIFFS AND
REQUEST FOR AN ACCOUNTING ORDER

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION.

A. My name is Sarah W. Johnson. My business address is 1401 Main Street, Suite 900, Columbia, South Carolina 29201. I am employed by the State of South Carolina as the Deputy Director of Utility Services in the Utility Rates and Services Division of the Office of Regulatory Staff (“ORS”).

Q. DID YOU FILE DIRECT TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed Direct Testimony with the Public Service Commission of South Carolina (“Commission”) on March 4, 2019.

Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY IN THIS PROCEEDING?

A. The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimony of Duke Energy Progress, LLC (“DEP” or the “Company”) witness Donald Schneider regarding the Prepaid Advantage Program Pilot (“Prepaid Advantage” or “Pilot”).

Q. PLEASE DESCRIBE THE COMPANY’S POSITION ON PREPAID ADVANTAGE.

1 **A.** In his surrebuttal testimony, Company witness Schneider states it is acceptable for
2 the Commission to make a decision on the Pilot in this docket because it would be
3 administratively efficient. Witness Schneider states there is no need to open a separate
4 docket to consider the merits of a program that has been tested by Duke Energy Carolinas,
5 LLC (“DEC”).

6 **Q. DOES ORS AGREE THAT THE RATE CASE PROCEEDING IS THE**
7 **APPROPRIATE ADMINISTRATIVE DOCKET FOR A PILOT PROGRAM?**

8 **A.** No. Similar to ORS’s proposal that Grid Mod be considered in a separate
9 proceeding, ORS has concluded that this pilot program should be presented, evaluated, and
10 modified as necessary in a separate docket before the Commission. A rate case proceeding
11 designed to evaluate base rates is not the appropriate docket for review of a pilot program
12 by interested parties, potential approval by this Commission, and future filings by the
13 Company related to a pilot program. Although Company witness Schneider states there is
14 no need to open a separate docket for the pilot, he provides evidence that supports ORS’s
15 position that a separate docket should be established.

16 Company witness Schneider provides compelling evidence of the need for a
17 separate administrative docket for this Pilot in his rebuttal testimony by listing the
18 numerous filings by the Company and responses by ORS in the DEC Docket No. 2015-
19 136-E. Witness Schneider also provides additional evidence that approval of the Pilot
20 should reside in a separate docket when he references future filings related to the Pilot. In
21 his direct testimony on Page 16, Lines 5-7, he states, “the Company may seek to grow the
22 Pilot or seek earlier termination of the Pilot in favor of a full scale offering to be filed with
23 the Commission for approval.” Witness Schneider also states on Page 16, Lines 13-14, that

1 “the Company will file a learnings report with the Commission on the Pilot’s operation
2 within six months of the Pilot’s termination date.” If the Commission approves this Pilot
3 within the context of this rate proceeding, these future filings will be intermingled within
4 the rate proceeding documents. ORS’s recommendation to shift the Pilot to a separate
5 docket will provide for administrative efficiency.

6 **Q. DOES ORS AGREE THAT THE DEP PILOT PROGRAM SHOULD NOT BE**
7 **GIVEN THE SAME ADMINISTRATIVE CONSIDERATION AS THE DEC PILOT**
8 **AS SUGGESTED BY COMPANY WITNESS SCHNEIDER?**

9 **A.** No. A pilot program for DEP customers should be evaluated on its own merits in
10 a separate docket before this Commission. Although learnings from the DEC program may
11 be applied to a DEP program, any pilot program or other such customer offering should be
12 evaluated in the context of the jurisdiction for which it is being proposed, thereby
13 accounting for differences in rate structures, potential costs, and customer behavior. The
14 DEC Pilot learnings may not be reflective of the needs of the DEP customers.

15 **Q. HAS ORS UPDATED ITS POSITION REGARDING THE COMPANY’S**
16 **PROPOSED PILOT?**

17 **A.** No. ORS maintains its position as stated in my direct testimony that a separate
18 proceeding would promote transparency and allow interested stakeholders the opportunity
19 to participate in a process solely focused on the examination of a proposed Pilot in the
20 jurisdiction for which the Pilot is designed. As such, ORS recommends the Commission
21 disallow the proposed Prepaid Advantage Program Pilot in this Docket and recommends
22 the Company file a separate petition with the Commission for future consideration to

1 include the Company's request for waivers of credit/debit card fees for eligible
2 participating customers in the Prepaid Advantage Program.

3 **Q. WILL YOU UPDATE YOUR SURREBUTTAL TESTIMONY BASED ON**
4 **INFORMATION THAT BECOMES AVAILABLE?**

5 **A.** Yes. ORS fully reserves the right to revise its recommendations via supplemental
6 testimony should new information not previously provided by the Company, or other
7 sources, become available.

8 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

9 **A.** Yes.